

CIA HISTORICAL REVIEW PROGRAM
RELEASE AS SANITIZED

2003

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13 April 1954

Things To Be Done

- Discretion WHP*
1. Mr. Leddy will see to it that a State Department message is sent to Mr. McDermott providing him with the "assurances" that he will be authorized to give to Osorio. Mr. Leddy will also work on getting from topside State Department a commendation concerning the manner in which [redacted] (sp?) conducted himself at Caracas and will put in the works an application for some form of decoration (possibly a legion of merit for [redacted] [redacted]).
 2. It will be necessary for us to send a message to our [redacted] containing the precise text of the remarks which we wish the Ambassador to make to Osorio in the arrangement of the introduction of Mr. "Chavez". The sense of this will be that the Ambassador will seek an appointment with Osorio promptly upon his return. Toward the first part of the conversation he will say that in Washington he found a strong and growing attitude of concern about the situation in Guatemala, and especially as to what Guatemala might have in mind aimed against neighboring countries including El Salvador. He will then make a statement, based on his authorization from State, as to the assurances which the United States wishes to give him regarding U. S. action in the event of Guatemalan aggression. He will then find some other subject to discuss so as to make a "break" in the conversation at this point. Following this, he will say to Osorio that he would like to recommend strongly that Osorio receive and talk with a man by the name of "Chavez" (?) in the very near future, and that he has reason to believe that Mr. "Chavez" will shortly apply for a talk with Osorio. He will further state that whereas he does not know the nature of Mr. "Chavez's" business or his proposal, he does know and can assure Osorio that Mr. Chavez is a representative of a very substantial and serious group of individuals -- no fly-by-night outfit. /There was lengthy discussion of who should accompany Mr. McDermott at this talk in view of the language barrier. We ruled out Donovan. [redacted] a possible choice, is probably ruled out (a) by virtue of his forthcoming absence from the country and (b) because of his volatile and talkative character. The Ambassador recommended and Mr. Leddy strongly concurred that the Under Secretary of Foreign Affairs, Mr. "Sugar" Chavez, would be the most likely
- Things in [redacted]*
ECW. office

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candidate to be present and handle the interpreter's job. Mr. Sugar Chavez is not believed to be cut in but it would be helpful for him to hear the first portion of the discussion (the assurances part), and the latter part is relatively innocuous as it is intended to be phrased. The question was left in this way but if there is a better way of providing an interpreter that we can think of for the conversation between McDermott and Osorio, we will have to get word to Mr. McDermott before he leaves or the first thing upon his return.7

3. Another problem raised by Mr. McDermott was that of whether [] should be introduced under his true name or a pseudonym. He is concerned that his good faith in introducing [] would be called into question by Osorio if a false name were used and it should later -- for any reason -- become clear to Osorio that he had been slipped a phony name. I said that we would give further thought to this problem but I tended to favor the continued use of the cover name.

4. The Ambassador asked us also to give thought to what he could say to Osorio as to who in the United States had recommended that he give this introduction. Could he say that "friends" in the United States had made this recommendation, and if so should he give any names of friends (real or fancied) or any sort of indication as to what part of the country they came from. Thought should be given to this and advice included in our proposed telegram.

5. There is one further point which will require consideration and, as soon as possible, advice to Ambassador McDermott. This is the matter of our trying to dig up a third person who might serve as an intermediary between the Ambassador and Osorio in the event that Osorio should want to communicate with the Ambassador about this matter or any aspect of it subsequent to the [] Osorio meeting.

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file

commentary
on "things
to be done"
4-13-54

Mr. Ambassador McDermott might tell

[] "There is another matter I would like to discuss. As you know, we have a certain responsibility regarding the interests of Americans abroad. There is a Mr. Swan Chang who has come to my attention, quite informally, through personal friends in New York. These friends of mine are a rather powerful, influential and substantial group — men that I got to know privately as a result of my relationship to the American press and business. They appear to be engaged in a rather

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serious and important enterprise
which has bearing on El Salvador.

I have been given to understand that
he will ask to call on you shortly.
I am told that it might be quite
interesting and worth to you to hear
what H. Chavez has to say.

2. As an interpreter, Wymberley
De R. Coerr, First Secretary in
Legation, might be suitable.

His presence would tacitly point
out the [] link.

Coerr might repeat the obvious,
that []

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[]

3. The cover name should be used. If there are any repercussions,

[] can always be advised that

a) Mc Dermott did not know b) that he considers that the use of pseudonyms was actually a protection of both

[] and him.

4. The question as to what friends Mr Mc Dermott should cite as having recommended the change can be answered by the standard cover story that the American group consists of individuals deeply concerned with

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combating Communism. These individuals assist in maintaining our way of life.

5. Until a suitable intermediary is found, Mr. Chavez will have to handle matters by himself. H[] turns around and refers the substance of these conversations to Mr. McInerett. Mr. McInerett should respectfully but explain that he was concerned with such matters. Mr. Chavez was a private citizen. Mr. McInerett should indicate neither approval or disapproval. If possible,

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He should ~~report~~ by []
remarks to Mr. Chavez. Mr.
Chavez & Mr. Ponder, among
others, but he has been told
anything from the K. K. K.
(A suitable intermediary will be
found as soon as possible.)